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Solar® Turbines

A Caterpillar Company

Solar Turbines Incorporated

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March 20, 1995

Facsimile and Overnight Delivery

Mr. Anand Rege
State of California
Department of Toxic Substances Control
Region 4
245 W. Broadway, Suite 425
Long Beach, CA 90802-4444

RE: Harbor Drive Facility - Solar Turbines Incorporated
EPA ID No. CAD008314908
DTSC's Fee for Service for Corrective Action

Dear Mr. Rege:

This letter is in reply to your March 13, 1995 letter requesting Solar Turbines Incorporated's (Solar) decision as to whether it will participate in the Department's Fee for Service (FFS) Program. As I indicated to you in my Tuesday, February 21 voice mail message, Solar cannot commit to the FFS Program at this time.

As we discussed in the December 1994 meeting at your office along with representative of Navistar International Transportation Corporation (Navistar), Solar and Navistar are currently in settlement discussions. These discussions, which are taking place under the oversight of the United States District Court in San Diego, are in connection with the clean-up cost recovery lawsuit Solar filed against Navistar in October 1992. We are optimistic that the conceptual terms of the settlement agreement will be agreed upon within the next few weeks. It is then likely to take two to three months to draft the agreement and reach final settlement. As you can appreciate, a comprehensive settlement of this type presents many complex issues which the parties are attempting to address now in order to prevent problems later. As we informed you in December, as part of that settlement, Navistar will be assuming control (with Solar's input) of any necessary site investigation and/or corrective action activities. As a result, it is in both parties interest to address the FFS Program issue after the settlement is reached and Navistar assumes control.

Please be assured that Solar remains committed to completing any necessary corrective action work consistent with all regulatory requirements. If, for any reason, a settlement agreement is not reached with Navistar, Solar will continue these efforts and will advise the Department of its intent regarding the FFS program or the other options discussed in the December 1994 meeting.

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We appreciate your understanding and patience in connection with our efforts to resolve our dispute with Navistar. Please do not hesitate to call me if you have any questions or concerns regarding of the issues addressed in this letter.

Sincerely,



Robert D. Bush
Manager, Environmental Affairs

cc: J. Anderson, RWQCB
A. Coe, RWQCB
D. Lipera, HMMD
C. Pryatel, HMMD
M. Sandhu, DTSC
C. Santos, EPA Region IX